

**From:** Jared Margolis <JaredMargolis@lfasia.com>  
**Sent:** Thursday, April 24, 2014 6:37 PM  
**To:** Daniel Castle <dcastle@iconixbrand.com>; Neil Cole <ncole@iconixbrand.com>  
**Cc:** Ethan Cole <ethancole@lfusa.com>  
**Subject:** Re: Victor

I attempted to have Victor guarantee the full unpaid amount owed by Harry each year. He would not agree to this. I managed to have him agree to pay the difference between the excess royalties each year and the amounts owed by Harry.

Victor would only guarantee the delta between the amount Harry owes and the excess royalties.

Looking forward to receiving the long form.

Best regards,

Jared Margolis  
Executive Vice President - Business Development and Licensing  
LF Asia - Hard & Soft Goods  
9/F, Lifung Tower,  
888 Cheung Sha Wan Road,  
Kowloon, Hong Kong  
Direct line: (852) 2300 3077

---

**From:** Daniel Castle [mailto:dcastle@iconixbrand.com]  
**Sent:** Thursday, April 24, 2014 04:34 PM  
**To:** Jared Margolis; Neil Cole <ncole@iconixbrand.com>  
**Cc:** Ethan Cole  
**Subject:** RE: Victor

This still seems strange to me.

It sounds like he's paying "additional" either way.

Why don't we just make it simple and Victor pays the unaid amount owed by Harry each year.

On another note, the long form is being sent to you tomorrow or Monday. Legal is working on it.

Best,

Daniel Castle | VP International  
**Iconix Brand Group**  
P: 212.819.2334  
Skype: Iconix.Daniel.Castle  
www.iconixbrand.com

---

**From:** Jared Margolis [mailto:JaredMargolis@lfasia.com]  
**Sent:** Thursday, April 24, 2014 4:23 PM  
**To:** Neil Cole; Daniel Castle  
**Cc:** Ethan Cole  
**Subject:** FW: Victor

Hi Neil and Dan,

**GOVERNMENT  
EXHIBIT**

**I**

19 Cr. 869 (ER)

- Each year, Victor will guarantee the delta between any excess royalty payments and amounts outstanding with Harry
- The “delta” amount that Victor provides will be entirely payable to Iconix (not split with LF)
- All excess royalty payments are split 50-50 with LF and Iconix as per the terms of our JV

Example 1:

*If there was \$50k in excess in Y1, Victor’s proposal would result in the following:*

- Victor to pay \$50k to Iconix to cover the delta between the \$100k owed by Harry and the \$50k of excess royalties
- The 50k in excess royalty would be allocated 50-50 between LF and Iconix

Therefore, under this example, Iconix would receive a total of \$75k and LF would receive a total of 25k.

Example 2:

*If there was \$0 in excess in Y1, Victor’s proposal would result in the following:*

- Victor to pay \$100K to Iconix to cover the delta between the \$100k owed by Harry and the \$0 of excess royalties.

Therefore, under this example, Iconix would receive the full \$100k and LF would receive \$0.

Please keep me posted on Harry and hope to close this up by latest Monday or Tuesday.

CONFIDENTIALITY NOTICE - This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain information that is confidential or legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender by telephone or return e-mail and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

CONFIDENTIALITY NOTICE - This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain information that is confidential or legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender by telephone or return e-mail and delete the original transmission and its attachments without reading or saving in any manner. Thank you.